

Issue Brief – Nursing Home Placement Prevention Pilot

DEPARTMENT OF HUMAN SERVICES

DHS-09-23

NURSING HOME PLACEMENT PREVENTION PILOT

The Division of Aging and Adult Services (DAAS) proposed a Nursing Home Placement Prevention Pilot program to the Medicaid Interim Committee (MIC) during the 2007 Interim. The MIC requested that this proposal be brought before the Health and Human Services Appropriations Subcommittee during the 2008 General Session. The pilot program would require funding of \$60,000 one-time General Fund for FY 2009. In addition, the Department of Health (DOH) would transfer \$106,500 to DAAS in the Department of Human Services for programmatic costs. The Analyst recommends that \$60,000 in one-time General Fund be placed on the priority list for the Nursing Home Placement Prevention Pilot program for FY 2009. It is also the recommendation of the Analyst that the Department of Health transfer \$106,500 in one-time General Fund to the Division of Aging and Adult Services for FY 2009.

OBJECTIVE

The objective of this program is to provide services to allow senior citizens to remain in a community setting rather than being placed in a skilled nursing facility upon release from the hospital.

DISCUSSION AND ANALYSIS

DAAS under the State Medicaid plan has an interagency agreement with the Department of Health to act as the operating agency to administer the Nursing Home Placement Prevention (Aging) Waiver services in a home setting. Medicaid waiver programs are exceptions to the regular Medicaid State Plan. Waiver programs allow states more flexibility than the regular State Medicaid Plan. Waiver programs must be cost neutral or less expensive than nursing home placement. To qualify for this program, an individual must meet the following three criteria: 1) be 65+ years; 2) require a nursing home level of care; and 3) meet the Medicaid eligibility requirements (income and assets).

Services Provided

Once on the Waiver, qualified individuals receive services as long as they meet the eligibility requirements. On average, persons remain in the waiver program about 244 days. The most common reason for leaving the waiver program is due to death. The second reason for leaving the program is nursing home placement of 11.1 percent. A small percentage moves to a home of a relative or leaves the Waiver program due to improved health. The following list includes some of the services provided under this program:

1. Homemaker services – help the elderly with housework and meal preparation
2. Chore services – lawn mowing, snow shoveling, etc.
3. Companion services – helps to reduce isolation of homebound clients
4. Supplemental meals
5. Transportation – (non-medical)
6. Case management
7. Environmental accessibility adaptation services – evaluate the home for access and safety and install equipment such as safety bars etc. for the elderly
8. Medical equipment/supplies and assistive technology
9. Personal emergency response system – to summon help in case of an emergency
10. Personal attendant services – client may hire and train employee themselves

DAAS Pilot Proposal

DAAS believes that hospital discharge planners place Medicaid eligible patients in skilled nursing facilities because of lack of knowledge of the waiver program or unavailability of waiver slots. DAAS is proposing to work with three hospitals to provide outreach and education on the Medicaid Aging Waiver program. In addition, DAAS is proposing to dedicate 36 new slots for this program. DAAS will have to seek federal approval for these additional slots.

Cost of the Program

DAAS would require \$60,000 of one-time General Fund for start-up costs. In addition, DOH would transfer the programmatic costs to DAAS of \$106,500. This transfer is based on the potential savings of serving 36 elderly clients in the aging waiver program rather than in a skilled nursing facility as shown in the following table:

Nursing Home Placement Prevention Pilot Program						
	Waiver Program		Nursing Homes		Savings	
	General Funds	Federal Funds	General Funds	Federal Funds	General Funds	Federal Funds
1 Slot per Hospital for a total of 36	\$106,500	\$251,900	\$423,100	\$1,001,100	\$316,600	\$749,200

This program should become self-sustaining after the first year. DHS and DOH will review the program annually and request Legislative approval for a transfer of funds (savings) as needed.

RECOMMENDATION

The Analyst recommends that \$60,000 in one-time General Fund be placed on the priority list for the Nursing Home Placement Prevention Pilot program for FY 2009. It is also the recommendation of the Analyst that the Department of Health transfer \$106,500 in General Fund to the Division of Aging and Adult Services for FY 2009. It is the recommendation of the Analyst that the following intent language be adopted for FY 2009:

It is the intent of the Legislature that the Division of Aging and Adult Services report to the Health and Human Services Appropriations Subcommittee by the 2009 General Session on the Nursing Home Placement Prevention Pilot program. This report is to include the number of clients served and the total expenditures for the program and the cost savings generated.